

DATE: September 4, 2019

TO: Todd Wyett, Chairman
State Transportation Commission

FROM: Paul C. Ajegba
Director

SUBJECT: Waiver of Commission Approval

The projects and descriptions documented in Exhibit A, attached, are contracts between the Michigan Department of Transportation and a private vendor, and a railroad grant or loan recipient. These contracts require approval of the State Transportation Commission. The approximate six-week delay resulting if Commission approval were deferred to the next State Transportation Commission meeting on October 17, 2019, would delay the transmittal of funds, and jeopardize construction schedules and transportation services.

The projects and descriptions documented in Exhibit A-2, attached, were let by the Michigan Department of Transportation on August 9, and August 23, 2019. The projects on this exhibit either received low bids more than 10% over the engineers' estimate, or received one bid, but had an engineer's estimate over \$500,000 and therefore require approval by the State Transportation Commission. The approximate six-week delay resulting if Commission approval were deferred to the next State Transportation Commission meeting on October 17, 2019, would delay the transmittal of the contract documents to the low bidder, and jeopardize the construction schedule.

Thus, a waiver of the required Commission approval is requested, as provided in Commission Resolution 79-3, as amended, footnote F:

"If, in the opinion of the Director, the public interest requires that a certain contract be awarded or an agreement be executed prior to approval by the Commission, hereunder, the Director shall seek a waiver of the required approval from the Chairman of the Transportation Commission. If the request of the approval is verbal, the waiver shall be confirmed, in writing, within fourteen (14) days."

If the waiver is granted, the Department will proceed to execute the items noted above.

Signed copy on file

Director

The request for waiver of Commission approval of the above-mentioned items are approved.

Signed copy on file

Todd Wyett, Chairman

September 5, 2019

Date

REQUEST FOR MICHIGAN STATE TRANSPORTATION COMMISSION APPROVAL

CONTRACTS

September 4, 2019

The following contracts are being submitted for approval. The appropriate documents will be approved by the Attorney General and comply with all legal and fiscal requirements prior to award.

CONTRACTS

1. RAIL – Francis Street Grade Crossing Reconstruction
Project Authorization (17) Revision (2) under Master Agreement (2012-0200) between MDOT and the National Railroad Passenger Corporation (Amtrak) will extend the authorization term by nine months to provide sufficient time for Amtrak to complete the project. The additional time is needed because a long procurement process for receiving the bids and awarding the contract for the concrete work delayed the project. The original authorization provided for the reconstruction of the grade crossing at Francis Street (MP 75.68) in the City of Jackson. MDOT compensates Amtrak for eligible costs under the approved scope of work and spending plan. The revised authorization term will be March 1, 2018, through March 31, 2020. The authorization amount remains unchanged at \$693,263. The term of the master agreement is December 7, 2012, through September 30, 2032. Source of Funds: Federal Highway Administration Funds - \$623,936.70; State Restricted Trunkline Funds - \$69,326.30.

2. *RAIL - Freight Economic Development Program
Contract (2019-0921) between MDOT and Martin Marietta Materials will provide financial assistance in the form of a loan for the construction of a rail spur in Manistee, Michigan. The contract will be in effect from the date of award until the last obligation between the parties has been fulfilled, until the contract is terminated, or until the loan has been fully repaid. The estimated project cost is \$582,930. MDOT will loan Martin Marietta Materials 50 percent of the project costs, up to a maximum amount of \$291,465. Provisions included in the contract permit the loan to be forgiven incrementally over a five-year period based on carloads shipped to/from the facility via rail. Martin Marietta Materials commits to shipping and/or receiving a minimum of 730 new carloads of freight from/at the facility via rail annually, above its current level of 3,750 carloads. Source of Funds: FY 2019 State Restricted Comprehensive Transportation Funds - \$291,465; Martin Marietta Materials Funds - \$291,465.

3. *RAIL - Freight Economic Development Program

Contract (2019-0936) between MDOT and West Michigan Railroad Co. will provide financial assistance in the form of a loan for the construction of a transload facility in Hartford, Michigan. The contract will be in effect from the date of award until the last obligation between the parties has been fulfilled, until the contract is terminated, or until the loan has been fully repaid. The estimated project cost is \$739,305. MDOT will loan West Michigan Railroad Co. 50 percent of the project costs, up to a maximum amount of \$369,652.50. Provisions included in the contract permit the loan to be forgiven incrementally over a five-year period based on carloads shipped to/from the facility via rail. West Michigan Railroad Co. commits to shipping and/or receiving a minimum of 150 carloads of freight from/at the facility via rail annually. Source of Funds: FY 2019 State Restricted Comprehensive Transportation Funds - \$369,652.50; West Michigan Railroad Co. Funds - \$369,652.50.

Upon receipt of your approval, the contracts and agreements will be processed for award. Subject to the exercise of the discretion in the processing, I approve the contracts described in this agenda and authorize the award by the responsible management staff of MDOT to the extent authorized by and in accordance with the December 14, 1983, resolution of the State Transportation Commission and the Director's delegation memorandum of February 11, 2019.

Respectfully submitted,

Signed copy on file

Paul C. Ajegba
Director

DATE: September 3, 2019

TO: State Transportation Commission

FROM: Jack Cotter, CPA, CGMA
Commission Auditor
Office of Commission Audits

SUBJECT: Justification Memorandums

Attached for your information are the department's justification memorandums for Exhibit A-2 items where the low bid exceeded the engineer's estimate by more than ten percent.

Signed Original on File

Jack Cotter, CPA, CGMA
Commission Auditor

Attachments

cc: T. Hagon

DATE: August 20, 2019

TO: Patrick J. McCarthy, Director
Bureau of Finance and Administration

FROM: Bradley C. Wieferich, Director
Bureau of Development

SUBJECT: Justification Memo for Bid Acceptance in Excess of 10 Percent of Engineer Estimate

Letting Date: August 9, 2019

Project Description: Bridge rehabilitation including deep overlay, deck patching, expansion joint replacement, epoxy overlay, healer/sealer, pin and hanger replacement, rocker realignment, partial painting, beam end repair, substructure repair, slope protection repair, approach pavement replacement and pavement marking on 9 bridges along I-96 from Hagadorn Road to Wallace Road, Ingham County.

Project Number: 33084-130133

Item Number: 1908 001

Low Bidder: C. A. Hull Co., Inc.

Eng. Est: \$6,234,434.10 Low Bid: \$7,792,196.32 Difference: \$1,557,762.22 Percent: 24.99

The following shows the engineer's estimate and the proposed bids received for this project:

Engineer's Estimate	\$ 6,234,434.10
C. A. Hull Co., Inc.	\$ 7,792,196.32
Anlaan Corporation	\$ 8,738,423.64
Toebe Construction LLC	\$10,667,588.90

EXPLANATION FOR DIFFERENCES

The low bidder had unit prices that varied from the normal range. The main items found to be higher than the engineer's estimate were structures, rehabilitation, remove portions; mobile attenuator; lighting for night work; and minor traffic devices. These items were bid higher than normal due to multiple locations and maintaining traffic restrictions. There are nine structures over sixteen miles of I-96, which is a highly travelled interstate route. This will require traffic control devices be moved and/or adjusted numerous times to accommodate rush hour traffic and moving from one location to another. Additionally, a significant amount of night work will be needed. There is limited space for the removal of portions of pier caps and diaphragms behind existing temporary supports, the area in which contractor will be working is tight, increasing costs. The estimator considered these factors when estimating his project but was unable to precisely predict the unit prices.

OVERALL CONCLUSION

As indicated in the above analysis, the low bid is over the engineer's estimate because of the multiple locations and maintaining traffic restrictions. This project received three bids, ranging from \$7,792,196.32 to \$10,667,588.90, which varied by 36.90 percent. The two lowest bids varied by 12.14 percent. We believe that rejecting this bid and re-letting this project will not result in lower bids, and the low bid should be considered reasonable, based on the factors discussed.

The Bureau of Development and the University Region request that this project be awarded to the low bidder, based on the above conclusion.

Director, Bureau of Development

cc: J. Cotter	D. Harr	S. Thurman	T. Kratofil	Director Ajegba
V. Lake	R. Welter	L. Strzalka	C. Rademacher	MDOT-eProposal
K. Schuster	J. Hinkle	M. Shulick	C. Tennes	R. Worgess-Carveth
S. Fedders	D. Potvin	H. Stinson	K. Curtis	K. Farlin
L. Bretz	C. Masseau	B. Rottiers	J. Gutting	E. Poole
A. Mahdavi	J. Early	E. Chelotti	D. Parker	T. Sauter
M. Chynoweth				

BOD:DD:QA:DLP:raw

DATE: August 22, 2019

TO: Patrick J. McCarthy, Director
Bureau of Finance and Administration

FROM: Bradley C. Wieferich, Director
Bureau of Development

SUBJECT: Justification Memo for Bid Acceptance in Excess of 10 Percent of Engineer Estimate

Letting Date: August 9, 2019

Project Description: 0.05 mi of Detroit Riverfront enhancements which include concrete sidewalk and ramp, seawall cap, lighting, fence, site furnishings and landscaping on the Detroit West Riverfront at Cummings Parcel, west of Joe Louis Arena in the city of Detroit, Wayne County.

Project Number: 82000-202796

Item Number: 1908 025

Low Bidder: Future Fence Company

Eng. Est: \$754,770.93 Low Bid: \$831,442.58 Difference: \$76,671.65 Percent: 10.16

The following shows the engineer's estimate and the proposed bids received for this project:

Engineer's Estimate	\$754,770.93
Future Fence Company	\$831,442.58

EXPLANATION FOR DIFFERENCES

The low bidder had unit prices that varied from the normal range. The main items found to be higher than the engineer's estimate were grade D concrete, sidewalk concrete and stainless-steel marine railing. These items were bid higher than normal due to project site constraints and unique items of work. This project is adjacent to the Detroit River to the south, north of a privately-owned parking lot, east of the former Joe Louis Arena, and west of the Riverfront Towers creating limited access for the contractor to the work site. Also, there are unknown utilities the contractor may need to work around. In addition, the sidewalk will need to be placed in segments to allow time to properly cure before equipment can be driven on before beginning the adjacent segment. Also, concerns with colored concrete, such as ensuring color additives match consecutive daily pours and achieving the proper air entrainment present challenges, causing a lack in production on the overall project site, increasing cost. Furthermore, the stainless-steel marine railing is a specialized item that requires the fabricator to have a minimum of 5 years of documented experience, limiting the vendors able to bid on the project, resulting in higher costs. The estimator considered these factors when estimating the project but was unable to precisely predict the unit prices.

OVERALL CONCLUSION

As indicated in the above analysis, the low bid is over the engineer's estimate because of the project site constraints and unique items of work. This project received one bid of \$831,442.58. We believe that rejecting this bid and re-letting this project will not result in lower bids, and the low bid should be considered reasonable, based on the factors discussed.

The Bureau of Development and the Detroit TSC request that this project be awarded to the low bidder, based on the above conclusion.

Director, Bureau of Development

cc: J. Cotter	D. Harr	S. Thurman	T. Kratofil	Director Ajegba
V. Lake	R. Welter	L. Strzalka	C. Rademacher	MDOT-eProposal
K. Schuster	J. Hinkle	M. Shulick	C. Tennes	R. Worgess-Carveth
S. Fedders	D. Potvin	H. Stinson	K. Curtis	K. Farlin
L. Bretz	C. Masseau	B. Rottiers	J. Gutting	E. Poole
A. Wilcox	M. Skelton	S. Minton	K. Avery	T. Sauter

BOD:DD:QA:RWC:raw

DATE: August 27, 2019

TO: Patrick J. McCarthy, Director
Bureau of Finance and Administration

FROM: Bradley C. Wieferich, Director
Bureau of Development

SUBJECT: Justification Memo for Bid Acceptance in Excess of 10 Percent of Engineer Estimate

Letting Date: August 23, 2019

Project Description: Replace culvert with 24' by 5' precast concrete box culvert, steel sheet piling, cofferdam, guardrail, hot mix asphalt approach work and pavement markings on M-35 over O'Neal Creek Tributary, Marquette County.

Project Number: 52032-207857

Item Number: 1908 601

Low Bidder: Bacco Construction Company

Eng. Est: \$1,035,502.57 Low Bid: \$1,264,670.55 Difference: \$229,167.98 Percent: 22.13

The following shows the engineer's estimate and the proposed bids received for this project:

Engineer's Estimate	\$1,035,502.57
Bacco Construction Company	\$1,264,670.55
Milbocker and Sons, Inc.	\$1,499,977.56
Hebert Construction Co.	\$1,678,423.40

EXPLANATION FOR DIFFERENCES

The low bidder had unit prices that varied from the normal range. The main item found to be higher than the engineer's estimate was concrete precast box culvert, 24 foot by 5 foot. This item was bid higher than normal due to the maintaining traffic and expedited schedule. The maintaining traffic includes multiple stages including installing a channel diversion, temporary widening on both shoulders, removing and replacing the existing culvert on the east and west side, and placing the hot mix asphalt. Two-way traffic must be maintained using temporary traffic signals. The progress clause calls for the culvert to open to traffic on base course pavement by the interim completion date of October 31, 2019. The estimator considered these factors when estimating his project but was unable to precisely predict the unit prices.

OVERALL CONCLUSION

As indicated in the above analysis, the low bid is over the engineer's estimate because of maintaining traffic and the expedited schedule. This project received three bids, ranging from \$1,264,670.55 and \$1,678,423.40, which varied by 32.72 percent. The lowest two bids varied by

August 27, 2019

18.61 percent. We believe that rejecting this bid and re-letting this project will not result in lower bids, and the low bid should be considered reasonable, based on the factors discussed.

The Bureau of Development and the Ishpeming TSC request that this project be awarded to the low bidder, based on the above conclusion.

Director, Bureau of Development

cc: J. Cotter	D. Harr	S. Thurman	T. Kratofil	Director Ajegba
V. Lake	R. Welter	L. Strzalka	C. Rademacher	MDOT-eProposal
K. Schuster	J. Hinkle	M. Shulick	C. Tennes	R. Worgess-Carveth
S. Fedders	D. Potvin	H. Stinson	K. Curtis	K. Farlin
L. Bretz	C. Masseau	B. Rottiers	J. Gutting	E. Poole
J. Garcia	A. Anderson	M. Maloney	A. Johnson	J. O'Leary

BOD:DD:QA:SF:raw

DATE: August 22, 2019

TO: Patrick J. McCarthy, Director
Bureau of Finance and Administration

FROM: Bradley C. Wieferich, Director
Bureau of Development

SUBJECT: Justification Memo for Bid Acceptance in Excess of 10 Percent of Engineer Estimate

Letting Date: August 9, 2019
Project Description: 3.45 mi of hot mix asphalt single course overlay on East Napier Avenue from Morgan Road to the Baninbridge/Benton township line, Berrien County.
Project Number: 11000-206937
Item Number: 1908 013
Low Bidder: Michigan Paving and Materials Company

Eng. Est: \$637,636.56 Low Bid: \$758,865.40 Difference: \$121,228.84 Percent: 19.01

The following shows the engineer's estimate and the proposed bids received for this project:

Engineer's Estimate	\$637,636.56
Michigan Paving and Materials Company	\$758,865.40
Rieth-Riley Construction Co., Inc.	\$819,439.30

EXPLANATION FOR DIFFERENCES

The low bidder had unit prices that varied from the normal range. The main items found to be higher than the engineer's estimate were hot mix asphalt; aggregate shoulder; minor traffic devices; and traffic regulator control. These items were bid higher than normal due to the construction schedule and maintaining traffic requirements. Once the project begins, it must be completed on or before October 18, 2019. This late construction season project causes additional risk for the contractor to meet the timeline, increasing costs. Also, based on the length of the project and a heavily traveled roadway, additional flag control and coordination is necessary to ensure one lane of traffic is always open and moving. The local agency estimator considered several factors when estimating this project but was unable to precisely predict the unit prices.

OVERALL CONCLUSION

As indicated in the above analysis, the low bid is over the engineer's estimate because of the construction schedule and maintaining traffic requirements. This project received two bids of \$758,865.40 and \$819,439.30, which varied by 7.98 percent. We believe that rejecting this bid and re-letting this project will not result in lower bids, and the low bid should be considered reasonable, based on the factors discussed.

The Bureau of Development and the Berrien County Road Department request that this project be awarded to the low bidder, based on the above conclusion.

Director, Bureau of Development

cc: J. Cotter	D. Harr	S. Thurman	T. Kratofil	Director Ajegba
V. Lake	R. Welter	L. Strzalka	C. Rademacher	MDOT-eProposal
K. Schuster	J. Hinkle	M. Shulick	C. Tennes	R. Worgess-Carveth
S. Fedders	D. Potvin	H. Stinson	K. Curtis	K. Farlin
L. Bretz	C. Masseau	B. Rottiers	J. Gutting	E. Poole
T. Sauter	M. Duell	C. Jacobs	K. Rothwell	W. Thompson

BOD:DD:QA:DLP:raw

DATE: August 22, 2019

TO: Patrick J. McCarthy, Director
Bureau of Finance and Administration

FROM: Bradley C. Wieferich, Director
Bureau of Development

SUBJECT: Justification Memo for Bid Acceptance in Excess of 10 Percent of Engineer Estimate

Letting Date: August 9, 2019

Project Description: 1.00 mi of hot mix asphalt cold milling and resurfacing, concrete curb and gutter, sidewalk ramps and pavement markings on Knapp Street from the east city limits of Grand Rapids to East Beltline (M-44), Kent County.

Project Number: 41000-202881

Item Number: 1908 036

Low Bidder: Rieth-Riley Construction Co., Inc.

Eng. Est: \$610,488.50 Low Bid: \$684,848.07 Difference: \$74,359.57 Percent: 12.18

The following shows the engineer's estimate and the proposed bids received for this project:

Engineer's Estimate	\$610,488.50
Rieth-Riley Construction Co., Inc.	\$684,848.07
Michigan Paving and Materials Company	\$685,182.02

EXPLANATION FOR DIFFERENCES

The low bidder had unit prices that varied from the normal range. The main item found to be higher than the engineer's estimate was hot mix asphalt. This item was bid higher than normal due to the multi-year construction schedule and maintaining traffic requirements. With the resurfacing operations to occur in 2020, there is uncertainty in what material prices will be next year for the major item of work. In addition, multiple mobilizations will require two-way traffic be maintained, at all times, in the five-lane east segment of the project under phased construction. The local agency estimator considered several factors when estimating this project but was unable to precisely predict the unit prices.

OVERALL CONCLUSION

As indicated in the above analysis, the low bid is over the engineer's estimate because of the multi-year construction schedule and maintaining traffic requirements. This project received two bids of \$684,848.07 and \$685,182.02, which varied by just 0.05 percent. We believe that rejecting this bid and re-letting this project will not result in lower bids, and the low bid should be considered reasonable, based on the factors discussed.

The Bureau of Development and the Kent County Road Commission request that this project be awarded to the low bidder, based on the above conclusion.

Director, Bureau of Development

cc: J. Cotter	D. Harr	S. Thurman	T. Kratofil	Director Ajegba
V. Lake	R. Welter	L. Strzalka	C. Rademacher	MDOT-eProposal
K. Schuster	J. Hinkle	M. Shulick	C. Tennes	R. Worgess-Carveth
S. Fedders	D. Potvin	H. Stinson	K. Curtis	K. Farlin
L. Bretz	C. Masseau	B. Rottiers	J. Gutting	E. Poole
T. Sauter	M. Duell	N. VanDrunen	S. Rozema	E. Kind

BOD:DD:QA:DLP:rw

REQUEST FOR MICHIGAN STATE
TRANSPORTATION COMMISSION APPROVAL
LETTING EXCEPTIONS AGENDA

September 4, 2019

TRUNKLINE CONTRACTS

- | | | |
|----|---|---|
| 1. | Letting of August 9, 2019
Letting Call: 1908 001
Project: IM 33084-130133, etc.
Local Agreement:
Start Date: September 3, 2019
Completion Date: October 30, 2020 | Low Bid: \$7,792,196.32
Engineer Estimate: \$6,234,434.10
Pct Over/Under Estimate: 24.99 % |
|----|---|---|

Bridge rehabilitation including deep overlay, deck patching, expansion joint replacement, epoxy overlay, healer/sealer, pin and hanger replacement, rocker realignment, partial painting, beam end repair, substructure repair, slope protection repair, approach pavement replacement and pavement marking on 9 bridges along I-96 from Hagadorn Road to Wallace Road, Ingham County. This project includes a 5-year performance warranty on thin epoxy bridge deck overlay and a 2-year warranty on concrete surface coating.

3.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
C. A. Hull Co., Inc.	\$7,792,196.32	Same	1 **
Anlaan Corporation	\$8,738,423.64	Same	2
Toebe Construction LLC	\$10,667,588.90	Same	3

Total Number of Bidders: 3

2. Letting of August 9, 2019
 Letting Call: 1908 025
 Project: TA 82000-202796
 Local Agreement: 19-5139, 19-5315
 Start Date: September 9, 2019
 Completion Date: June 1, 2022

Low Bid: **\$831,442.58**
 Engineer Estimate: \$754,770.93
 Pct Over/Under Estimate: 10.16 %

0.05 mi of Detroit Riverfront enhancements which include concrete sidewalk and ramp, seawall cap, lighting, fence, site furnishings and landscaping on the Detroit West Riverfront at Cummings Parcel, west of Joe Louis Arena in the city of Detroit, Wayne County.

5.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
Future Fence Company	\$831,497.58	\$831,442.58	1 **

Total Number of Bidders: 1

3. Letting of August 23, 2019
 Letting Call: 1908 601
 Project: M 52032-207857
 Local Agreement:
 Start Date: 10 days after award
 Completion Date: June 10, 2020

Low Bid: **\$1,264,670.55**
 Engineer Estimate: \$1,035,502.57
 Pct Over/Under Estimate: 22.13 %

Replace culvert with 24' by 5' precast concrete box culvert, steel sheet piling, cofferdam, guardrail, hot mix asphalt approach work and pavement markings on M-35 over O'Neal Creek Tributary, Marquette County.

0.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
Bacco Construction Company	\$1,264,670.55	Same	1 **
Milbocker and Sons, Inc.	\$1,499,977.56	Same	2
Hebert Construction Co.	\$1,678,423.40	Same	3

Total Number of Bidders: 3

LOCAL AGENCY CONTRACTS

4. Letting of August 9, 2019
Letting Call: 1908 013
Project: STL 11000-206937
Local Agreement: 19-5337
Start Date: 10 days after award
Completion Date: October 18, 2019
- Low Bid: **\$758,865.40**
Engineer Estimate: \$637,636.56
Pct Over/Under Estimate: 19.01 %

3.45 mi of hot mix asphalt single course overlay on East Napier Avenue from Morgan Road to the Baninbridge/Benton township line, Berrien County. This is a Local Agency project.

0.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
Michigan Paving and Materials Company	\$758,865.40	Same	1 **
Rieth-Riley Construction Co., Inc.	\$819,439.30	Same	2

Total Number of Bidders: 2

5. Letting of August 9, 2019
Letting Call: 1908 036
Project: STU 41000-202881
Local Agreement: 19-5397
Start Date: September 3, 2019
Completion Date: June 30, 2020
- Low Bid: **\$684,848.07**
Engineer Estimate: \$610,488.50
Pct Over/Under Estimate: 12.18 %

1.00 mi of hot mix asphalt cold milling and resurfacing, concrete curb and gutter, sidewalk ramps and pavement markings on Knapp Street from the east city limits of Grand Rapids to East Beltline (M-44), Kent County. This is a Local Agency project.

3.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
Rieth-Riley Construction Co., Inc.	\$684,848.07	Same	1 **
Michigan Paving and Materials Company	\$685,182.02	Same	2

Total Number of Bidders: 2

On receipt of your approval, projects will, at the Director's discretion, be processed and awarded to the low bidder. I approve the project described in this agenda and authorize the award by the responsible management staff of MDOT to the extent authorized by and in accordance with the December 14, 1983, resolution of the State Transportation Commission and the Director's delegation memorandum of February 11, 2019.

Respectfully submitted,

Signed copy on file

Paul C. Ajegba, P.E.
Director